

LEGISLATURE OF NEBRASKA
NINETY-EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1153

Introduced by Byars, 30

Read first time January 20, 2004

Committee: Education

A BILL

1 FOR AN ACT relating to the Education Innovation Fund; to amend
2 sections 79-761, 79-8,136, 79-1018.01, and 79-1108,
3 Reissue Revised Statutes of Nebraska, and section 9-812,
4 Revised Statutes Supplement, 2003; to change provisions
5 relating to distribution of lottery funds; to eliminate a
6 council; to provide and change powers and duties; to
7 harmonize provisions; and to repeal the original
8 sections.

9 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 9-812, Revised Statutes Supplement,
2 2003, is amended to read:

3 9-812. (1) All money received from the operation of
4 lottery games conducted pursuant to the State Lottery Act in
5 Nebraska shall be credited to the State Lottery Operation Trust
6 Fund, which fund is hereby created. All payments of expenses of
7 the operation of the lottery games shall be made from the State
8 Lottery Operation Cash Fund. In accordance with legislative
9 appropriations, money for payments for expenses of the division
10 shall be transferred from the State Lottery Operation Trust Fund to
11 the State Lottery Operation Cash Fund, which fund is hereby
12 created. All money necessary for the payment of lottery prizes
13 shall be transferred from the State Lottery Operation Trust Fund to
14 the State Lottery Prize Trust Fund, which fund is hereby created.
15 The amount used for the payment of lottery prizes shall not be less
16 than forty percent of the dollar amount of the lottery tickets
17 which have been sold. ~~Until October 1, 2003, at least twenty-five~~
18 ~~percent and beginning~~ Beginning October 1, 2003, and until January
19 1, 2008, a portion of the dollar amount of the lottery tickets
20 which have been sold on an annualized basis shall be transferred
21 from the State Lottery Operation Trust Fund to the Education
22 Innovation Fund, the Nebraska Scholarship Fund, the Nebraska
23 Environmental Trust Fund, and the Compulsive Gamblers Assistance
24 Fund, except that the dollar amount transferred shall not be less
25 than the dollar amount transferred to the funds in fiscal year
26 2002-03. On and after January 1, 2008, at least twenty-five
27 percent of the dollar amount of the lottery tickets which have been
28 sold on an annualized basis shall be transferred from the State

1 Lottery Operation Trust Fund to the Education Innovation Fund, the
2 Nebraska Scholarship Fund, the Nebraska Environmental Trust Fund,
3 and the Compulsive Gamblers Assistance Fund. Of the money
4 available to be transferred to the Education Innovation Fund, the
5 Nebraska Scholarship Fund, the Nebraska Environmental Trust Fund,
6 and the Compulsive Gamblers Assistance Fund, the first five hundred
7 thousand dollars shall be transferred to the Compulsive Gamblers
8 Assistance Fund to be used as provided in sections 83-162.01 to
9 83-162.04. Twenty-four and three-fourths percent of the money
10 remaining after the payment of prizes and operating expenses and
11 the initial transfer to the Compulsive Gamblers Assistance Fund
12 shall be transferred to the Education Innovation Fund. Twenty-four
13 and three-fourths percent of the money remaining after the payment
14 of prizes and operating expenses and the initial transfer to the
15 Compulsive Gamblers Assistance Fund shall be transferred to the
16 Nebraska Scholarship Fund. Forty-nine and one-half percent of the
17 money remaining after the payment of prizes and operating expenses
18 and the initial transfer to the Compulsive Gamblers Assistance Fund
19 shall be transferred to the Nebraska Environmental Trust Fund to be
20 used as provided in the Nebraska Environmental Trust Act. One
21 percent of the money remaining after the payment of prizes and
22 operating expenses and the initial transfer to the Compulsive
23 Gamblers Assistance Fund shall be transferred to the Compulsive
24 Gamblers Assistance Fund to be used as provided in sections
25 83-162.01 to 83-162.04.

26 (2) The Education Innovation Fund is hereby created. At
27 least seventy-five percent of the lottery proceeds allocated to the
28 Education Innovation Fund shall be available for disbursement. For

1 each fiscal year except fiscal years 2003-04 and 2004-05, the
2 Education Innovation Fund shall be allocated in the following
3 manner: ~~Up to twenty percent to fund the mentor teacher program~~
4 beginning teacher mentoring and induction program and the
5 administration of the program pursuant to the Quality Education
6 Accountability Act. ~~+ up to forty percent to the Attracting~~
7 ~~Excellence to Teaching Program Cash Fund to fund the Attracting~~
8 ~~Excellence to Teaching Program Act, and up to forty percent of the~~
9 ~~fund shall be allocated by the Governor.~~ For fiscal years 2003-04
10 and 2004-05, the Education Innovation Fund shall be allocated to
11 the General Fund after operating expenses for the Excellence in
12 Education Council are deducted.

13 Allocations by the Governor shall be through incentive
14 grants to encourage the development of strategic school improvement
15 plans by school districts for accomplishing high performance
16 learning and to encourage schools to establish innovations in
17 programs or practices that result in restructuring of school
18 organization, school management, and instructional programs which
19 bring about improvement in the quality of education. Such
20 incentive grants allocated by the Governor are intended to provide
21 selected school districts, teachers or groups of teachers,
22 nonprofit educational organizations, educational service units, or
23 cooperatives funding for the allowable costs of implementing pilot
24 projects and model programs.

25 From the funds allocated by the Governor, minigrants
26 shall be available to school districts to support the development
27 of strategic school improvement plans which shall include
28 statements of purposes and goals for the districts. The plans

1 shall also include the specific statements of improvement or
2 strategic initiatives designed to improve quality learning for
3 every student.

4 In addition to the minigrants granted for the development
5 of strategic school improvement plans, school districts with annual
6 budget expenditures of three hundred fifty thousand dollars or less
7 are eligible for minigrants from the funds allocated by the
8 Governor for the purposes allowed in subdivisions (2)(a) through
9 (q) of this section. The amount of this type of minigrant shall
10 not exceed five thousand dollars. The school district shall
11 present a curriculum support plan with its application for the
12 grant. The curriculum support plan must show how the district is
13 working to achieve one or more of the allowed purposes and how the
14 grant will be used to directly advance the plan to achieve one or
15 more of these purposes. The plan must be signed by the school
16 administrator and a school board representative. The application
17 for the grant shall be brief. The Excellence in Education Council
18 shall select the recipients of this type of minigrant and shall
19 administer such minigrants.

20 From the funds allocated by the Governor, major
21 competitive grants shall be available to support innovative
22 programs which are directly related to the strategic school
23 improvement plans. The development of a strategic school
24 improvement plan by a school district shall be required before a
25 grant is awarded. Annual reports shall be made by program
26 recipients documenting the effectiveness of the program in
27 improving the quality of education as designed in the strategic
28 school improvement plans. Special consideration shall be given to

1 plans which contain public or private matching funds and
2 cooperative agreements, including agreements for in-kind services.
3 Purposes for which such major competitive grants would be offered
4 shall include:

5 (a) Professional staff development programs to provide
6 funds for teacher and administrator training and continuing
7 education to upgrade teaching and administrative skills,

8 (b) The development of strategic school improvement plans
9 by school districts,

10 (c) Educational technology assistance to public schools
11 for the purchase and operation of computers, telecommunications
12 equipment and services, and other forms of technological innovation
13 which may enhance classroom teaching, instructional management, and
14 districtwide administration. Telecommunications equipment,
15 services, and forms of technical innovation shall be approved only
16 after review by the technical panel created in section 86-521,

17 (d) An educational accountability program to develop an
18 educational indicators system to measure the performance and
19 outcomes of public schools and to ensure efficiency in operations,

20 (e) Alternative programs for students, including
21 underrepresented groups, at-risk students, and dropouts,

22 (f) Programs that demonstrate improvement of student
23 performance against valid national and international achievement
24 standards,

25 (g) Early childhood and parent education which emphasizes
26 child development,

27 (h) Programs using decisionmaking models that increase
28 involvement of parents, teachers, and students in school

1 management,

2 (i) Increased involvement of the community in order to
3 achieve increased confidence in and satisfaction with its schools,

4 (j) Development of magnet or model programs designed to
5 facilitate desegregation,

6 (k) Programs that address family and social issues
7 impairing the learning productivity of students,

8 (l) Programs enhancing critical and higher-order thinking
9 capabilities,

10 (m) Programs which produce the quality of education
11 necessary to guarantee a competitive work force,

12 (n) Programs designed to increase productivity of staff
13 and students through innovative use of time,

14 (o) Training programs designed to benefit teachers at all
15 levels of education by increasing their ability to work with
16 educational technology in the classroom,

17 (p) Approved accelerated or differentiated curriculum
18 programs under sections 79-1106 to 79-1108.03, and

19 (q) Programs for children from birth to age twenty-one
20 years with disabilities receiving special education under the
21 Special Education Act and children from birth to age twenty-one
22 years needing support services as defined in section 79-1125.01,
23 which programs demonstrate improved outcomes for children from
24 birth to age twenty-one years through emphasis on prevention and
25 collaborative planning.

26 The Governor shall establish the Excellence in Education
27 Council. The Governor shall appoint eleven members to the council
28 including representatives of educational organizations,

1 postsecondary educational institutions, the business community, and
2 the general public, members of school boards and parent education
3 associations, school administrators, and at least four teachers who
4 are engaged in classroom teaching. The State Department of
5 Education shall provide staff support for the council to administer
6 the Education Innovation Fund, including the Quality Education
7 Accountability Act. The council shall have the following powers
8 and duties:

9 (i) In consultation with the department, develop and
10 publish criteria for the awarding of incentive grants allocated by
11 the Governor for programs pursuant to this subsection, including
12 minigrants,

13 (ii) Provide recommendations to the Governor regarding
14 the selection of projects to be funded and the distribution and
15 duration of project funding,

16 (iii) Establish standards, formats, procedures, and
17 timelines for the successful implementation of approved programs
18 funded by incentive grants allocated by the Governor from the
19 Education Innovation Fund,

20 (iv) Assist school districts in determining the
21 effectiveness of the innovations in programs and practices and
22 measure the subsequent degree of improvement in the quality of
23 education,

24 (v) Consider the reasonable distribution of funds across
25 the state and all classes of school districts,

26 (vi) Carry out its duties pursuant to the Quality
27 Education Accountability Act, and

28 (vii) Provide annual reports to the Governor concerning

1 programs funded by the fund. Each report shall include the number
2 of applicants and approved applicants, an overview of the various
3 programs, objectives, and anticipated outcomes, and detailed
4 reports of the cost of each program.

5 To assist the council in carrying out its duties, the The
6 State Board of Education shall, in consultation with the council,
7 adopt and promulgate rules and regulations establishing criteria,
8 standards, and procedures regarding the selection and
9 administration of programs funded from the Education Innovation
10 Fund, including the Quality Education Accountability Act.

11 (3) Recipients of incentive grants allocated by the
12 Governor from the Education Innovation Fund shall be required to
13 provide, upon request, such data relating to the funded programs
14 and initiatives as the Governor deems necessary.

15 ~~(4)~~ Any money in the State Lottery Operation Trust Fund,
16 the State Lottery Operation Cash Fund, the State Lottery Prize
17 Trust Fund, or the Education Innovation Fund available for
18 investment shall be invested by the state investment officer
19 pursuant to the Nebraska Capital Expansion Act and the Nebraska
20 State Funds Investment Act.

21 ~~(5)~~ (4) Unclaimed prize money on a winning lottery ticket
22 shall be retained for a period of time prescribed by rules and
23 regulations. If no claim is made within such period, the prize
24 money shall be used at the discretion of the Tax Commissioner for
25 any of the purposes prescribed in this section.

26 Sec. 2. Section 79-761, Reissue Revised Statutes of
27 Nebraska, is amended to read:

28 79-761. (1) The beginning teacher mentoring and

1 induction program is created to promote excellence in teaching,
2 enhance student achievement, and increase the retention of
3 promising beginning teachers in Class II, III, IV, or V school
4 districts who are in their first three years in the teaching
5 profession.

6 (2) Each Class II, III, IV, or V school district shall
7 provide a beginning teacher mentoring and induction program by the
8 2005-06 school year for all classroom teachers who are beginning
9 teachers.

10 (3) A Class II, III, IV, or V school district shall
11 receive funding for a beginning teacher mentoring and induction
12 program if the school board applies to the State Department of
13 Education in the manner prescribed by the department by August 1,
14 2005, for the following school year, and by August 1 for each
15 ensuing school year, and meets the requirements set by the State
16 Board of Education.

17 (4) Funds received by a Class II, III, IV, or V school
18 district for the program shall be used to pay (a) mentors a
19 five-hundred-dollar award per semester for full participation in
20 the program. A school district may use local funding to increase
21 the amount of the award for mentors, (b) for training of mentors
22 and administrators to implement the program and on the evaluation
23 process and the criteria upon which the beginning teacher shall be
24 evaluated, (c) for delivery of professional development to
25 beginning teachers by educational service units or standard
26 institutions of higher education as defined in section 79-807, and
27 (d) for tuition assistance for beginning teachers for courses
28 needed to become fully endorsed in all areas in which they are

1 teaching.

2 (5) The State Board of Education shall ~~develop guidelines~~
3 ~~for mentor teacher programs in local systems~~ establish criteria and
4 standards for a beginning teacher mentoring and induction program
5 in all Class II, III, IV, and V school districts in order to
6 provide ongoing support for individuals entering the teaching
7 profession. Funding for ~~mentor teacher~~ such programs shall be
8 provided to ~~local systems~~ Class II, III, IV, and V school districts
9 which provide each ~~first-year~~ beginning teacher in the ~~local system~~
10 district with a mentor. The ~~mentor teacher~~ programs shall be
11 funded by the Education Innovation Fund pursuant to subsection (2)
12 of section 9-812. ~~and shall identify criteria for selecting~~
13 ~~excellent, experienced, and qualified teachers to be participants.~~
14 ~~The state board shall report to the Legislature on or before~~
15 ~~December 1, 1998, on its progress in implementing this section.~~

16 Sec. 3. Section 79-8,136, Reissue Revised Statutes of
17 Nebraska, is amended to read:

18 79-8,136. The Attracting Excellence to Teaching Program
19 Cash Fund is created. The fund shall consist of appropriations by
20 the Legislature, ~~transfers pursuant to section 9-812,~~ and loan
21 repayments, penalties, and interest payments received in the course
22 of administering the Attracting Excellence to Teaching Program. The
23 department shall allocate on an annual basis the funds to be
24 distributed for the program to all eligible institutions according
25 to the distribution formula as determined by rule and regulation.
26 ~~, except that the State Treasurer shall transfer the cash balance~~
27 ~~existing on November 9, 2001, in the fund to the General Fund~~
28 ~~within five days after November 9, 2001.~~ The eligible institutions

1 shall act as agents of the department in the distribution of the
2 funds to eligible students. Any money in the Attracting Excellence
3 to Teaching Program Cash Fund available for investment shall be
4 invested by the state investment officer pursuant to the Nebraska
5 Capital Expansion Act and the Nebraska State Funds Investment Act.

6 Sec. 4. Section 79-1018.01, Reissue Revised Statutes of
7 Nebraska, is amended to read:

8 79-1018.01. Local system formula resources include other
9 actual receipts available for the funding of general fund operating
10 expenditures as determined by the department for the second school
11 fiscal year immediately preceding the school fiscal year in which
12 aid is to be paid, except that receipts from the Community
13 Improvements Cash Fund, receipts acquired pursuant to the Low-Level
14 Radioactive Waste Disposal Act, and, beginning with the calculation
15 of state aid to be distributed in school fiscal year 2004-05,
16 tuition receipts from converted contracts shall not be included.
17 Other actual receipts include:

- 18 (1) Public power district sales tax revenue;
19 (2) Fines and license fees;
20 (3) Tuition receipts from individuals, other districts,
21 or any other source except those derived from adult education and
22 except, beginning with the calculation of state aid to be
23 distributed in school fiscal year 2004-05, tuition receipts from
24 converted contracts;
25 (4) Transportation receipts;
26 (5) Interest on investments;
27 (6) Other miscellaneous noncategorical local receipts,
28 not including receipts from private foundations, individuals,

1 associations, or charitable organizations;

2 (7) Special education receipts; ~~7 excluding grant funds~~
3 ~~received pursuant to section 9-812;~~

4 (8) Special education receipts and non-special education
5 receipts from the state for wards of the court and wards of the
6 state;

7 (9) All receipts from the temporary school fund.
8 Beginning with the calculation of aid for school fiscal year
9 2002-03 and each school fiscal year thereafter, receipts from the
10 temporary school fund shall only include receipts pursuant to
11 section 79-1035 and the receipt of funds pursuant to section
12 79-1036 for property leased for a public purpose as set forth in
13 subdivision (1)(a) of section 77-202;

14 (10) Motor vehicle tax receipts received on or after
15 January 1, 1998;

16 (11) Pro rata motor vehicle license fee receipts;

17 (12) Other miscellaneous state receipts excluding revenue
18 from the textbook loan program authorized by section 79-734;

19 (13) Impact aid entitlements for the school fiscal year
20 which have actually been received by the district to the extent
21 allowed by federal law;

22 (14) All other noncategorical federal receipts;

23 (15) All receipts pursuant to the enrollment option
24 program under sections 79-232 to 79-246;

25 (16) Receipts under the federal Medicare Catastrophic
26 Coverage Act of 1988, as such act existed on May 8, 2001, as
27 authorized pursuant to sections 43-2510 and 43-2511 but only to the
28 extent of the amount the local system would have otherwise received

1 pursuant to the Special Education Act; and

2 (17) Receipts for accelerated or differentiated
3 curriculum programs pursuant to sections 79-1106 to 79-1108.03.

4 Sec. 5. Section 79-1108, Reissue Revised Statutes of
5 Nebraska, is amended to read:

6 79-1108. For school year 1997-98 and each school year
7 thereafter, each school district shall identify learners with high
8 ability and may provide accelerated or differentiated curriculum
9 programs that will address the educational needs of the identified
10 students at levels appropriate for the abilities of those students.
11 The accelerated or differentiated curriculum programs shall meet
12 the standards of quality established by the department.
13 Educational service units may identify learners with high ability
14 and provide accelerated or differentiated curriculum programs for
15 school districts. ~~Any school district or educational service unit~~
16 ~~shall be eligible to apply for funds from the Education Innovation~~
17 ~~Fund to be used for development and improvement of the approved~~
18 ~~accelerated or differentiated curriculum programs of the district~~
19 ~~or educational service unit.~~

20 Sec. 6. Original sections 79-761, 79-8,136, 79-1018.01,
21 and 79-1108, Reissue Revised Statutes of Nebraska, and section
22 9-812, Revised Statutes Supplement, 2003, are repealed.